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SEMINAR REPORT

THE "K" OBJECTIVE--A WIDE OR
NARROW APPLICATION



CENTER FOR THE STUDY OF INTELLIGENCE

CENTRAL INTELLIGENCE AGENCY

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CENTER FOR THE STUDY OF INTELLIGENCE

1 November 1976

DDO Seminar Series: The "K" Objective--A Wide
or Narrow Application

Just how useful and important is the human source intelligence collected by the Operations Directorate on internal domestic developments in non-Communist countries? This was the basic question in the background of a discussion on 23 September by a dozen representative DDO officers at a seminar sponsored by OTR's Center for the Study of Intelligence. The specific subject of the seminar was the so-called "K" objective in DDO collection,* and the priority it should be given in the collection effort. One officer was asked to present arguments in favor of wide application of the objective, another to detail the reasoning against. A general discussion followed.

*Under the management by objective system, the "K" objective collection is one of a number of objectives generally considered as aimed at "soft" targets. These contrast with the collection objectives generally considered aimed at "hard" targets (the denied areas--usually communist nations). The new objective list places the following objectives in what was considered by the seminar participants to be soft targets:

- "K" - Internal domestic developments in non-communist nations
- "D" - Arab-Israeli dispute (for Middle East countries)

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It was quickly evident that most of the officers present tended in their thinking to lump "K" objective collection with collection against "soft" targets in general, as opposed to that of the "hard" or communist targets. The basic charge against soft target collection was that the effort expended undercuts that against the hard targets by providing an easy return and hence an easy substitute for concentration on tough, denied area objectives.

This charge was generally rejected by the group which by and large believed that soft target information was probably more important now than in past years and was often of significance in critical U.S. policy decisions. Moreover, the statistically scanty resources now applied to soft targets could not simply be switched to the hard ones with expectation of proportionate gain. The "plumbing" required for soft target collection, in fact, was generally held to be vital as an entrée to the hard targets available in any given country.

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- Economics/Energy
- Strategic Weapons/Nuclear Proliferation
- Narcotics
- Terrorism (Although the participants did not quibble on this, some operational specialists might argue that by nature, this belongs in the "hard" category.)

following objectives are the hard target categories:

- The USSR
- China
- Eastern European Communist Nations
- Indochinese Communist
- North Korea
- Cuba

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Still, there was an unease in the group's discussion of the application of the present K objective and associated soft targets. The difficulty of effectively and fairly evaluating such reporting under present Directorate accounting systems was noted, as was the question of whether proper selectivity is being exercised in reporting intelligence derived from the soft targets--as opposed to maintaining coverage of the target itself.

Several challenging aspects of the issue did not receive direct attention in the seminar. For example: is it possible and useful to maintain the capability of coverage without steady reporting on soft targets? Does the Agency, in fact, have its priorities mixed so that a greater percentage of resources now needs to be put on the soft targets in the light of their importance? Do CIA consumers agree with the Operations Directorate's interpretation of the value of local, soft target reporting? Some reflections on these questions and a general report on the seminar follow below.

The Pros and Cons

The advocate in favor of a wide application of the K objective contended that:

--U.S. influence in some areas of the world is perceived as declining and locals no longer go as easily to an overt representative as in the past with needed information. The requirement for its covert acquisition has thus increased.

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- With the perceived decline in U.S. influence, the chances for actions seriously inimical to significant U.S. interests in many places of the world have increased. K objective and other soft target reporting helps keep tab on this potential.
- Early identification of a problem provides greater possibilities for U.S. diplomatic or covert action manipulation.
- Coverage of the local scene is essential for the pursuit of effective hard target operations. It reveals, for example, what the local Communists are doing and how influential they are.
- Covert reporting on the local scene tends to balance and complete the picture conveyed through official reporting. It often provides contacts with and information from opposition groups, extremists, and even terrorists that is unobtainable through official channels.
- Finally, because it is plentiful, soft target reporting helps the Agency defend its budget in the bureaucracy and the Congress. It's our bread and butter, but reporting from soft targets must be selective lest it interfere with the hard target effort.

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The officer asked to take a position against a wide application of the K objective contended that:

- CIA has not maintained the proper selectivity in reporting on the K objective and other soft targets. K is, in fact, a "killer" overstraining the whole collection effort for information of questionable value.
- Soft target reporting essentially is whatever information anyone says must be collected clandestinely. Its scope has been expanded far beyond utility.
- K reporting corrupts us. It pays our bills and justifies our budgets; it causes us to lay back from the hard and concentrate on the soft.
- We work on the K objective and other soft targets because we think no one else can do it right. The question the Agency should be asking is who can work on the hard target? The latter is where CIA needs to concentrate as resources dwindle.

The Discussion

It was the belief of the seminar participants that, in terms of manhours expended, the effort against the K objective as such doesn't really take up too many Directorate resources. The soft target is now very widely applied to stations abroad:

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[REDACTED] constitute the great majority of CIA installations abroad. Yet, according to Plans Staff figures only some 9 percent of the manhours of the Operations Directorate is devoted to collecting on the K objective. (A somewhat higher percentage would result from adding the manhours devoted to all soft target objectives.) This 9 percent effort resulted in 19,000 intelligence reports from 1 January 1975 to 30 June 1976--more than the total number of reports falling into the objective categories A-E combined.*

As the majority of the participants saw it, this expenditure of manhours was a small price to pay for so essential a coverage. They agreed that it was only through the soft targets that the hard targets could be reached in many countries and that the coverage was vital for the occasion when unforeseen developments in a non-communist area suddenly captured the attention of the policymaker in Washington. There was general agreement that all stations must install such "plumbing" in order to operate effectively; woe to that station which fails to do so. It treads a perilous path, one that is bound to be found wanting in the long run.

*These figures relate to the previous (FY 76 objectives) A through E and include some of the soft targets. (The 19,000 reports represent about 38 percent of the total reports produced in the period. Reports on hard target objectives do not constitute the remaining 62 percent because the other soft target objectives have not been factored into the 38 percent.)

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The Numbers Game

The participants, as a whole, were not overly concerned with the striking numerical disproportion of reports on the soft targets produced by the 9 percent effort. They noted that a transfer of manpower and funds from soft to hard target objectives would not create an equivalent shift in numbers of reports produced, to say nothing of quality of coverage. If the manpower and money involved in collecting and disseminating 5,000 soft target objective reports were to be transferred to hard target objective reports, there is no possibility that there would be a decrease of 5,000 in soft target reporting and a corresponding increase of 5,000 reports on the hard side. In fact, if half the present K effort were transferred to hard targets, the only certain effect would be to raise the financial cost of all reports by 100 percent.

Most of the participants believed that not only the assignment of soft target objectives, but the flow of reporting from them, reflected the real present priorities of US decision-making. It can be argued that the vast percentage of policy decisions made in the United States in regard to foreign affairs--some two-thirds, according to one participant--deal with events and developments in the non-communist world. Thus, for pay-off in terms of utility to the policymaker, a broad application of the soft target

objectives is soundly merited. Indeed, some participants suggested we cut non-productive efforts on hard targets and transfer them to soft ones because that is where the pay-off lies. In some ways the issue reflects the intractable problem of sensing the intelligence needs of the consumer in the foreign policy process. We have not been able to pinpoint these needs with real precision, so we have resorted to a kind of shotgun approach involving the dissemination of a very large quantity and spread of soft target reporting.

Selectivity is the Key

All agreed that selectivity is a key to the reporting on the soft target. This raised the issue of whether we need a somewhat firmer criteria for the types of information to be collected under the generalized definition of the K and other soft target objectives. The grading of individual reports sometimes has an impact on the categorization received by the individual reports. According to two representatives of one Division of the DDO, that Division has received written instructions that if a report on a hard target subject (specifically A, B, and C objectives only) is received which has a "major" impact on US policy, it may be categorized as A, B, or C objective. However, if the report only has a "significant" (or less) impact upon US policy, it is to be categorized as K or some other soft target objective. This has the effect of letting the grade awarded these reports

determine the category in which they are counted. It automatically raises the quality rating of hard target objective reporting at the expense of the soft.

The Plans Staff was challenged by the participants at the seminar to come up with an evaluation system that does not depend on the machine runs of grades and objective categories--all of which are dubbed more or less artificial and arbitrary depending on personal points of view. An appeal was made for an evaluation system which instead focuses straightforwardly upon qualitative factors expressed in prose, eschewing statistics and numbers. Indeed, there were charges that the present evaluation system is totally "bankrupt" because it does not have any measure other than statistical--a situation many officers believe to be arbitrary at best.

Paying Our Way

Since results do not come easily, either numerically or even in terms of quality in hard target reporting, what is wrong with letting the large quantity of soft target reporting help justify the Agency's human source collection effort within the Washington bureaucracy, in Congress, and the OMB? Sometimes this was stated at the seminar as "providing the policymaker with the thing he is primarily interested in at the moment." Another time it was the tactical use of "negotiations" intelligence in our various international

bargaining sessions. If the station must have the soft target plumbing installed in all cases, especially if it needs that plumbing for hard target work, then why not collect profits from the relatively "costless" production of reports based on agent sources that have to be paid and handled anyway as a matter of necessity?

This raises some fundamental questions as to costing the soft versus the hard. One participant contended that the stations have a very difficult time separating the two in accounting procedures to Headquarters under MBO. Thus, the stations do an arbitrary job of assigning the relative costs of their various operations and expenditures of manpower. Another participant asserted that in the "real world" out in the field, the stations know what they need operationally to get both hard and soft intelligence collected and distributed, and they do what they have to do. The matter of accounting for money and manpower against this or that objective thus becomes essentially artificial, and is relegated to an after-the-fact exercise.

What was not really clear at the seminar is the extent to which the Agency is really ignoring the hard targets because of the attention placed upon the soft objectives. Although the matter was treated tangentially, the issue was not squarely addressed. The question of whether the "glamour" and "pay-off" to the policymaker in the soft targeting is

imposing indirect costs upon the hard target was not examined. For example, no one considered the young case officer looking to a successful career and wanting to work on the soft target objectives where numbers of recruitments are easy to attain and where volume of reporting of "hot" news frequently comes. Does that make it difficult to get good men working on the hard target where the successes are less frequent and the career is widely believed within the Directorate to suffer as a result?

Priorities in Perspective--Avoiding Bankruptcy

In response to the charges that the widespread application of the K objective was driving the Agency toward bankruptcy--a condition that had to be averted by immediate action--the general consensus of the participants seemed to be that certain steps were needed to restore balance and perspective in our priorities. These steps were:

- Greater tough-mindedness in collecting and disseminating only that soft target objective reporting which is truly clandestine and not obtainable from overt (official, press, academic) sources.
- Greater tough-mindedness in collecting and disseminating only that soft target objective reporting which is truly significant to US interests.

- Application of hard target objectives as top priority (above the soft) in places where such intelligence (a) is available; (b) is the most significant of the available intelligence there; and (c) is realistically collectable from the operational point of view.
- Cessation of expenditures of time and money on hard target operational efforts where it is non-productive, i.e., where the criteria above do not apply.
- Maintenance of the "plumbing" for high quality and significant soft target objective reporting in place against the day when it is needed, even though it is not paying profitable dividends in reporting of current interests to policymakers. Even with tight budgets, CIA must learn to justify and hang-on to soft assets if it expects to be responsive to future demands of the changeable policymakers. How the organization can justify operating without a product from some of its efforts, money, and manpower, was not addressed, but the challenge posed to the Plans Staff regarding evaluation without numbers and statistics was clearly related to this.
- Making do with "overt" collection where there is little or nothing of significance to US interests

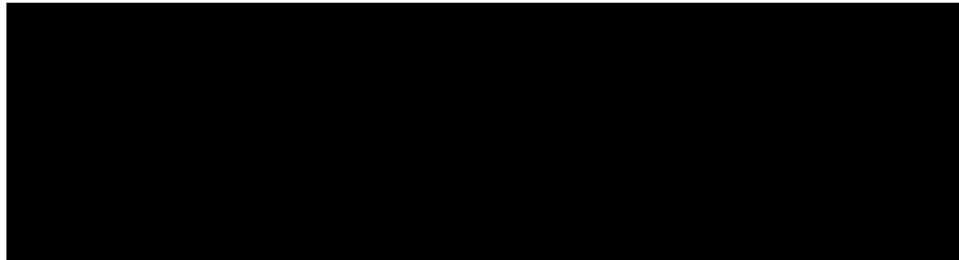
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available covertly. It is true that CIA has a reputation for impartial honesty in reporting the unpleasant, but the fact that overt systems do not produce quite as handy a package of information should not deter us from letting the analysts cope with less neat packaging, while the DDO concentrates on that which is more vital and which no one else is equipped or chartered to do.

- Beginning to call a spade a spade before we misconstrue meanings and definitions. A clear majority believed that the Directorate should start categorizing information as soft and hard objective information in its machine statistics; it should look at the costs and product of each in those terms and recognize both the "hidden" and the arbitrary nature of the categorization of the costs of each. Hard target objective reporting should be registered under that category in all cases, regardless of whether it has "major" or merely "significant or less" impact upon US policy, regardless of whether it is a "local" source or a communist source, and regardless of whether it is local reaction to a communist move or a communist

reaction to a local move. (This would avoid

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Some other arguments historically put forth on both sides of the issue, but which were not directly mentioned at the session, are as follows:

FOR K

--Fulfills the "no surprises" requirement which continues to obtain. Senior officials want "no surprises" from abroad about which they have not been forewarned by the stations.

AGAINST K

--We cannot waste efforts beating the press by a couple of hours, especially when it is non-actionable information.

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--It can be an assist to liaison efforts by providing information that can be passed as material in exchange for what CIA wants or needs.

--It often pays some, or a good part of, the "rent" to the Ambassador, who wants to be fully informed on what is happening within his country of assignment, especially that which the natives won't tell him.

--It can easily hamper liaison work by arousing suspicions as to CIA motives and contacts with the "outs" and the "enemy" of any government in power.

--Extensive soft targeting has a tendency to create and attract maintenance problems that are very difficult to handle, especially as the attention of policy-makers turns from subjects for which agents were once recruited.

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FOR K

AGAINST K

--In a world of interdependence, we must know what the second and third level impact will be of free world actions over which we have no control.

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--National Security has come to be affected by economics which involve all nations, in the "north-south" struggle as well as the east-west struggle.

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--It runs the risk of easy destruction the minute a coup overthrows the established government. This multiplies progressively the need for more of the same sort of soft operations to cover all potential troublemakers for all existing governments,

--Running operations locally runs the risk of wrecking relations with friendly

opposition. Exposure could ruin the operations climate for more vital hard target objectives.

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Other Center publications in this series are listed below and are available by calling x2193.

1. Whither NOC? (December 1975)
2. The Agent Authentication Process (August 1976)

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